



CSR Inquiry Assistance

Related Medlearn Matters Article #: MM3990

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Supplying Fee and Inhalation Drug Dispensing Fee Revisions and Clarifications

Key Words

MM3990, CR3990, Supplying, Dispensing, Fee, Drugs, Q0510, Q0511, Q0512, Q0513, Q0514, G0333

Provider Types Affected

Physicians, providers, and suppliers billing oral anti-cancer chemotherapeutic drugs, oral anti-emetic drugs, immunosuppressive drugs, or inhalation drugs to Medicare durable medical equipment regional carriers (DMERCs) or fiscal intermediaries (FIs)

Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 3, 2006.
- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA, Section 303(e)(2)) authorized Medicare to pay a supplying fee for the following drugs:
 - Immunosuppressive drugs;
 - Oral anti-cancer chemotherapeutic drugs; and
 - Oral anti-emetic drugs used as part of an anti-cancer chemotherapeutic regimen.
- Effective January 1, 2006, Medicare will pay the following supplying fees to a pharmacy for each of the above listed drugs:
 - Twenty-four dollars (\$24.00) will be paid for the first prescription supplied to a beneficiary during a 30-day period.
 - Each pharmacy that supplies the above listed drugs to a beneficiary during a 30-day period will be eligible for one \$24 supplying fee in that period.
 - Sixteen dollars (\$16.00) will be paid for each subsequent prescription of the above listed drugs supplied to a beneficiary in the same 30-day period.
- Medicare also pays a dispensing fee for inhalation drugs, in accordance with Section 1842(o)(2) of the Social Security Act.

- Effective January 1, 2006, Medicare will pay one dispensing fee for inhalation drugs to a pharmacy amounting to the following guidelines:
 - Fifty-seven dollars (\$57.00) as an initial dispensing fee will be paid to a pharmacy for the initial 30-day period of inhalation drugs furnished through Durable Medical Equipment (DME), regardless of the number of shipments or drugs dispensed during that time and regardless of the number of pharmacies used by a beneficiary during that time.
 - One dispensing fee of \$33.00 will be paid for a 30-day period of inhalation drugs furnished through DME regardless of the number of shipments or drugs dispensed during that time.
 - One dispensing fee of \$66.00 will be paid for each dispensed 90-day period of inhalation drugs furnished through DME regardless of the number of shipments or drugs dispensed during that time.
- A supplier cannot be paid for more than one of the following for a beneficiary for the same period:
 - An initial dispensing fee (G0333);
 - A 30-day dispensing fee (Q0513); or
 - A 90-day dispensing fee (Q0514).
- For a refill prescription, Medicare will allow payment of the dispensing fee no sooner than seven days before the end of usage for the current 30-day or 90-day script for which a dispensing fee was previously paid.
- An inhalation drug supplier will not be allowed more than 12 months of dispensing fees per beneficiary per year.
- The supply fee and dispensing fee must continue to be billed on the same claim as the drug supplied or dispensed.
- A supply fee and a dispensing fee is not appropriate for one drug because:
 - The supply fee is for immunosuppressives, oral anti-cancer drugs, and oral anti-emetic drugs; and
 - The dispensing fee is for inhalation drugs only.

HCPCS Codes

DMERCs and FIs are instructed by CR3990 to recognize the following Healthcare Common Procedure Coding System (HCPCS) codes:

- Supply fees for immunosuppressive, oral anti-cancer, and oral anti-emetic drugs:
 - Code Q0510 (replaces G0369) – First immunosuppressive prescription after a transplant (\$50.00).
 - Code Q0511 (replaces G0370) – Pharmacy supplying fee for immunosuppressive, oral-anticancer, and oral anti-emetic drugs, first prescription in a one-month period. Each pharmacy may receive this fee once in a 30-day period (\$24.00).
 - Code Q0512 (replaces G0370) – Pharmacy supplying fee for immunosuppressive, oral anticancer, and oral anti-emetic drugs – each subsequent prescription in a 30-day period (\$16.00).

- Dispensing fee for inhalation drugs(one per month) - Pay the first claim received for inhalation drugs:
 - Code G0333 - Pharmacy dispensing fee for initial inhalation drug(s); initial 30 day supply to a beneficiary.
 - Code Q0513 (replaces G0371) - Pharmacy dispensing fee for inhalation drug(s); per 30-days (\$33.00).
 - Code Q0514 (replaces G0374) - Pharmacy dispensing fee for inhalation drugs(s); per 90- days (\$66.00).
- Effective January 1, 2006, Medicare will no longer recognize codes G0369, G0370, G0371, and G0374.
- The Medicare DMERC or FI will downcode G0333 to Q0513 and pay on the basis of Q0513 if a prior claim has been paid to any supplier for that beneficiary for inhalation drugs.
- Medicare will downcode Q0511 to Q0512 if more than one claim for Q0511 is received from the supplier for a beneficiary during the 30-day period (except allowing for the refill within seven days of the end of the 30-day period).

Important Links

The Medlearn Matters article is located at

<http://new.cms.hhs.gov/medlearnmattersarticles/downloads/MM3990.pdf> on the CMS web site.